

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany	REPORT	
SUBJECT	Analysis of the 1959 Realization of the Chemical Production Plan	DATE DISTR.	22 August 1960 25X1
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report which

gives comprehensive tabulations of the chemical production in 1959.

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1. Attached is an analysis [redacted] 25X1
concerning the situation in the East German Chemical Industry during
1959. This analysis is divided into five parts as follows: [redacted] 25X1

- a. Annex "A" is a table on the planned and actual production of chemicals and related products for 1958 and 1959. Although the total production plan of the chemical industry has been over-fulfilled, a large number of important chemicals did not fulfill the state plan.
- b. Annex "B" is a table on the planned and actual imports of chemicals and related products for 1958 and 1959.
- c. Annex "C" is a table on the planned and actual exports of chemicals and related products for 1958 and 1959. The total export plan for the chemical industry was under-fulfilled.
- d. Annex "D" is a table on the supply of deliverable stocks of selected chemicals and related products for 1959.

- 1) The small stock holding connected with a small operative reserve is the basis for production difficulties in the East German Chemical Industry. The State Chemical Office is seeking ways to improve the supply situation by building up the reserves of the wholesale dealers. However, by the end of 1959 the inventories of the wholesale dealers were lower than before because of an under-fulfillment of the delivery plan. This situation does not apply to all commodities. The rubber and asbestos industry have supplies on hand that cannot be sold at full value because the material is too old. The DHZ Chemie has 168,000 DME goods to be sold while the DHZ GAK has goods valued at 148,000 DME.

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2) Based on the regulations of the "Guarantee of Economic Stock Building", the wholesale dealers were offered stocks from further processing industries valued at 4,375 thousand DME. Of this 544,000 DME were offered to DHZ Chemie and 3,831 thousand DME to DHZ GAK. DHZ Chemie accepted 357,000 DME and DHZ GAK accepted 2,503 thousand DME of goods. DHZ Chemie and DHZ GAK did not accept some of the goods like welding products, lacquers and paints because of the poor quality.

e. Attached as Annex "E" is an analysis of approximately 93 chemical and related products. The categories are as follows: mining products, inorganic chemicals, organic chemicals, special products, rubber and asbestos products, and miscellaneous products.

2. The 1959 production plan for the East German Chemical Industry was 8.229 billion DME. Actual production for 1959 was 8.322 billion DME with a plan fulfillment of 101.1 percent. The production plan was fulfilled in 1958 by 110.1 percent. The production plan for all the VVB's of the chemical industry was fulfilled as shown in the table below.

VVB	Plan Production 1959 (Million DME)	Actual Production 1959 (Million DME)	Realization of 1959 Plan (percent)	Realization of 1958 Plan (percent)
Synthetic Fibers & Photograph	1155.0	1182.9	102.4	111.5
Electrochemicals & Plastics	1856.5	1866.8	100.6	108.3
General Chemistry	1148.0	1155.6	100.7	110.3
Mineral oil & Organic material	2560.0	2574.9	100.6	107.7
Rubber and Asbestos	910.0	915.3	100.6	113.2
Pharmaceutical Industry	355.5	373.1	105.0	120.3
Lacquer and Paints	244.0	253.9	104.1	117.4
Total	8229.0	8322.5	101.1	110.1

The value of product group 14 exported was 1,155 billion DME (factory price). At the beginning of the year goods valued at 78.0 million DME had not be specified. At the end of the year goods valued at 68 million DME was specified.

First Quarter	10.3 million DME
Second Quarter	14.2 million DME
Third Quarter	19.7 million DME
Fourth Quarter	23.8 million DME

The quarterly distribution is the time the goods is itemized (ausspezifisierung) and not the time of delivery. The total exports for 1959 were 1,146.8 million DME or a plan fulfillment of 99.2 percent.

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ALINEX "A"

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NOFORNProduction Plan and Actual Production for Selected
Chemical Products for 1958 and 1959

Product 1	Plan 1958 2	Actual 1958		Plan 1959 5	Actual 1959		1959: 1958 (Percent) 8
		Tons 3	Percent 4		Tons 6	Percent 7	
Ferrous sulphide	50,000	52,170	104	48,700	49,500	102	95
Sulphur	102,000	106,361	104	107,300	107,849	100	101
Sulphuric acid	555,000	531,531	96	584,400	562,433	96	106
Calcined soda	552,000	552,584	100	578,100	559,191	97	101
Caustic soda	291,000	296,404	102	313,000	303,068	97	102
Caustic alkali	32,400	34,170	105	32,800	34,984	107	102
Calcium carbide	837,400	829,250	99	870,000	886,011	102	107
Liquid chlorine	60,415	59,075	98	65,275	59,526	91	101
Nickel sulfate	410	387	94	470	373	79	96
Potassium permanganate	4,100	3,659	89	3,950	3,957	100	108
Boric acid	800	759	95	1,000	754	75	99
Borax	4,000	273	7	4,000	1,259	31	461
Fuller's earth	5,000	3,682	74	4,800	4,934	103	134
Acetylene carbon	15,950	16,206	102	16,073	16,276	101	100
Gas carbon	3,200	2,900	91	3,275	2,811	86	97
Calcined alumina	51,000	51,484	101	58,500	55,302	95	107
Nitrogen fertilizers	314,000	320,000	102	326,500	329,340	101	103
Phosphate fertilizer	132,000	136,481	103	138,350	138,757	100	102
Lithopone	9,000	9,112	101	10,030	9,680	97	106
Zinc white	11,300	12,202	108	12,400	14,002	113	115
Red lead	1,840	2,023	110	2,215	2,215	100	109
Lead solder	4,012	4,371	109	4,500	4,852	108	111
Zinc oxide, technical	2,950	3,389	115	3,265	3,502	107	103

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1	2	3	4	5	6	7	8
Urea	9,961	10,412	105	11,232	12,093	108	116
Phosphorous, yellow	8,070	7,901	98	8,150	8,540	105	108
Phosphorous, acid, technical	15,345	15,366	100	15,400	16,783	109	109
Titanidionyd	2,550	2,565	101	2,580	2,604	101	102
Potassiumbichromat	6,300	6,259	99	6,120	5,932	97	95
Formaldehyde	18,672	19,601	105	24,960	26,059	104	133
Acetic acid, technical	41,540	42,816	103	47,525	47,294	100	110
Acetic acid, anhydride	2,600	2,152	83	3,600	3,239	90	151
Glycerino	350	314	90	350	305	87	97
Kaprolaktam	7,160	7,562	105	8,010	8,687	108	115
Acetone	7,100	7,198	101	6,890	6,996	102	97
Methanol	61,200	63,610	104	63,550	66,380	104	104
Ethanol	25,000	26,097	104	26,620	27,777	104	106
Methylene chloride	2,400	2,273	95	2,600	2,557	98	112
Triphenylphosphato	5,200	3,739	72	5,600	3,713	66	99
Palatinole	5,500	5,776	105	5,620	5,626	100	97
Redanall	2,750	2,754	100	3,180	3,086	97	112
Mosamoll	8,200	8,792	107	9,100	9,273	102	105
Phthalic acid anhydride	9,700	9,744	100	9,820	9,349	95	101
Movie & photo film B/W	9,248	9,320	101	11,178	11,534	103	124
Movie & photo film colored	3,275	3,658	112	3,867	4,378	113	120
X-ray film	1,640	1,733	106	1,837	1,841	101	106
Photo paper, B/W	9,180	9,908	108	10,592	11,429	108	115
Photo paper colored	90	51	57	60	69	115	135
Tapes	650	677	104	780	696	89	103

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1	2	3	4	5	6	7	8
Magnetic film	443	418	94	443	434	98	104
Glue	670	668	100	680	1,028	151	154
Photo gelatin	317	285	90	400	412	103	145
PVC-Pulver	54,200	54,479	100	57,400	56,199	98	103
Polyvinylchloride, hard	10,650	10,535	99	12,457	12,337	99	117
Polystyrol	3,300	3,557	108	3,714	3,984	107	112
Cellodum woll	6,800	6,850	101	6,850	7,059	103	103
Celluloid plates	805	816	101	830	800	96	98
Acetylcellulose	540	298	55	750	287	38	96
Synthetic rubber	82,000	83,984	102	85,500	85,185	100	101
Kfz-tires <u>1/</u>	1,600	1,615	101	1,886	1,876	99	116
Rubber conveyor belts <u>2/</u>	2,652	2,477	93	2,830	2,430	86	98

1/ Thousand each2/ Thousand sq

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ANNEX "B"

Import Plan and Plan Fulfillment for
Selected Chemical Products for 1958 and 1959

PAGE-1

Product	Plan 1958	Actual 1958		Plan 1959	Actual 1959		1959: 1958 (Percent)
		Tons	Percent		Tons	Percent	
1	2	3	4	5	6	7	8
Ferrous sulphide	100,000	81,311	81	90,000	100,476	112	124
Raw asbestos	5,600	4,129	74	6,800	7,747	114	188
Raw phosphate	180,000	179,020	99	194,000	173,939	90	97
Sulphuric acid	-	3,900	-	-	-	-	-
Calcium carbide	-	8,253	-	8,000	6,927	87	84
Borax	1,850	3,419	185	1,000	1,325	133	39
Fuller's earth	3,000	3,694	123	4,300	3,335	78	90
Acetylene carbon	1,000	954	95	2,000	2,010	101	211
Gas carbon	1,400	1,535	110	2,000	2,222	111	145
Calcined alumina	21,000	21,000	100	25,000	15,213	61	72
Nitrogen fertilizers	-	2,100	-	-	14,757	105	703
Phosphor fertilizers	63,000	62,563	99	63,000	63,138	100	101
Lithopone	1,700	1,903	112	2,000	2,449	122	129
Zinc white	1,800	2,097	117	2,300	2,055	89	98
Red lead	1,800	1,637	91	1,800	1,804	100	110
Zinc oxide, technical	1,000	640	64	1,000	954	95	149
Titanium dioxide	800	1,100	138	1,500	1,411	94	128
Glycerine	1,700	1,497	88	1,800	1,945	108	130
Photo gelatin	560	559	100	580	568	98	102
Cellulose acetate	2,650	3,172	120	2,850	3,981	140	126
Natural rubber	16,650	16,981	102	17,650	15,340	87	90
Nickel sulfate	600	600	100	750	730	97	122

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ANNEX "C"

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Export Plan and Plan Fulfillment for
Selected Chemical Products for 1958 and 1959

Product	Plan 1958	Actual 1958		Plan 1959	Actual 1959		1959: 1958 (Percent)
		Tons	Percent		Tons	Percent	
1	2	3	4	5	6	7	8
Sulphur	14,500	16,257	112	10,500	14,328	99	88
Sulphuric acid	-	981	-	10,600	10,534	99	1074
Calcined soda	105,000	102,610	98	105,000	104,762	100	102
Caustic soda	12,500	13,186	105	23,000	22,713	99	172
Caustic kali	6,000	7,422	124	5,600	6,626	118	89
Potassium permanganate	2,200	2,396	109	2,600	2,809	108	117
Acetylene carbon	6,200	6,573	106	6,300	6,791	108	103
Nitrogen fertilizers, total	87,000	92,826	104	94,200	94,363	100	101
Potassium dichromate	2,200	2,077	94	1,700	1,673	100	81
Acetic acid, technical	5,930	7,069	119	8,500	8,920	105	126
Acetic acid anhydride	500	804	161	1,100	1,206	110	150
Acetone	2,300	2,432	106	2,300	2,319	100	95
Methanol	6,500	7,652	118	4,000	2,205	55	29
Butanol	3,400	3,933	116	4,100	4,416	108	112
Triphenylphosphate	1,000	832	83	1,000	853	85	103
Palatinole	1,300	1,446	111	1,200	1,231	103	85
Rodamoll	1,600	1,601	100	1,200	1,317	109	82
Masomoll	1,300	1,400	108	1,400	1,400	100	100
Phthalic acid anhydride	4,500	4,500	100	4,150	3,740	90	83
Movie & photo film B/W	6,475	6,823	105	8,400	8,839	105	130
Movie & photo film, color	2,750	3,091	112	3,248	3,588	110	116
X-ray film	750	816	109	840	975	116	119
Photo paper B/W	2,550	2,611	102	2,600	2,908	112	111

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	1	2	3	4	5	6	7	8
Recording tapes		315	418	133	490	501	102	120
Magnetic film		280	281	100	305	281	92	100
PVC-Pulver		14,700	14,734	100	13,560	13,588	100	92
Polystyrol		625	726	116	775	776	100	107
Cellodum woli		2,400	2,601	108	2,500	2,548	102	98
Synthetic rubber		46,500	48,053	103	46,000	46,898	102	98
Rubber conveyor belts		600	609	102	700	523	75	86

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ANNEX "D"

Actual Supply of Deliverable Stocks for
Selected Chemicals Products for 1959

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Product	1 January 1959	31 March 1959	30 June 1959	30 September 1959	31 December 1959	Supply Available in Days
1	2	3	4	5	6	7
Sulphur	649	977	588	520	474	2
Sulphuric acid	5,546	7,806	6,962	5,293	10,174	6
Soda, caustic	5,747	7,476	6,529	6,158	4,768	3
Caustic soda	3,143	2,615	3,000	2,729	3,161	4
Caustic alkali	262	421	646	403	542	6
Formaldehyde	73	291	68	79	127	1
Borax	52	5	-	31	5	0
Acetylene carbon	39	56	34	37	24	0
Gas carbon	46	19	38	4	3	0
Calcined alumina	429	235	303	-	98	0
Nitrogen fertilizers	4,697	4,738	4,923	7,938	5,384	8
Phosphor fertilizers	7,056	8,058	7,936	7,782	3,874	8
Lithopone	85	145	122	190	81	2
Zinc white	199	143	89	50	78	2
Red lead	189	143	101	65	160	13
Lead solder	228	172	119	158	92	7
Urea	42	33	35	57	78	2
Acetic acid anhydride	20	35	7	26	38	3
Kaprolaktam	53	80	44	52	26	1
Acetone	110	126	62	48	75	5
Methanol	1,140	1,205	1,017	1,635	1,282	6
Butanol	113	187	220	118	47	1
Methylene chloride	17	10	19	16	18	1
Tritylphosphate	17	37	21	72	70	6

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	1	2	3	4	5	6	7
Palatinolo	103	88	70	87	91	6	
Rodamoll (PH u. PK)	24	45	57	53	29	4	
Mesamoll	2	4	15	5	-	-	
Phthalic acid anhydride	82	-	14	25	34	1	
Photo & movie film B/H	610	707	752	616	723	43	
Photo & movie film,color	66	64	68	67	108	46	
Photo gelatin	48	82	82	75	87	46	
PVC-Pulver	1,293	1,176	1,051	775	1,307	11	
Polystyrol	144	146	135	56	68	6	
Synthetic rubber	1,131	1,230	1,053	1,246	1,567	12	
Natural rubber	1,487	1,872	1,440	289	206	3	
Kfz-tires	103	90	69	82	95	15	
Rubber conveyor bolts	25	39	34	35	21	4	

The calculation of supply available in days is based on planned East German consumption, but does not include exports.

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ANNEX "E"

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Mining ProductsFerrous Sulphide (Schwefelkies-S)

The supply of ferrous sulphide was increased significantly. Because of the poor quality of the ferrous sulphide produced in 1958, 9,000 tons S had to be released from the state reserves. During the second half of 1959, an additional 10,000 tons S were imported from Soviet Union so that the state reserves and the plant stocks could be rebuilt. For 1959, the total amount of ferrous sulphide available to the consumers was 109,000 tons S. (90,000 tons pyrites which were imported, 10,000 tons S imported from USSR, 9,000 tons S from state reserves). The planned production of ferrous sulphide was 48,700 tons S. This plan was over-fulfilled by 800 tons S. The original import plan of 90,000 tons was increased 10,000 tons during the year. Actual imports of ferrous sulphide was 100,500 tons or a plan realization of 112 percent. The import plan was over-fulfilled by 500 tons S.

About 18,000 tons S was consumed by the sulphuric acid industry. The increase in the requirements of the sulphuric acid industry is based on an increase in the consumption of pyrites in the production of SO_3 . Technical problems arose in the preparation of the fine pyrites at the Elbingeroder plant. These fine pyrites were prepared for the Feinzink Freiberg plant. At first, the problem was in the reduction of the pyrites to the pebble size (Kornfeinheit) specified by Freiberg. Later the problem of quantity had to be solved.

Raw Phosphate (Rohphosphat)

The 1959 import plan of raw phosphate was 194,000 tons of P_2O_5 . Actual imports were 173,900 tons or a plan under-fulfillment of 20,061 tons. Approximately, 16,739 tons of phosphate were to come from the Kola-apatite deposits in Soviet Union and the remaining 3,322 tons were to come from the capitalist countries. Serious production difficulties occurred when the import plan was under-fulfilled by 3,700 tons in the first quarter and in the second quarter by 13,000 tons of P_2O_5 . Because of the under-fulfillment of the import plan, 10,000 tons of phosphate had to be released from the state reserves. Therefore, the quantity that had been assigned to the state reserves in second quarter, had to be made up in the second half of 1959. The 1959 total planned stocks of phosphate was 18,000 tons. The actual stocks were 15,800 tons.

A shortage of about 7,000 tons phosphate exists in the chemical industry. This shortage was the result of an over-production in yellow phosphorous. The under-fulfillment of 1959 import plan is to be made up in 1960. If the import plan can not be fulfilled, the production of yellow phosphorous and phosphorous fertilizers will be reduced in 1960. Presently, shortages of raw phosphate for the production in the chemical industry can be temporarily filled by releasing stocks and materials from the state reserves.

Raw Asbestos (Rohasbest)

During the year the import plan was raised from 6,800 tons to 7,900 tons. The actual imports of asbestos were 7,700 tons. The original import plan was realized by 113 percent and the operative plan was realized by 98 percent. The requirements of asbestos by various consumers could not be covered by production. As a result the supply of asbestos to the shipbuilding and machine building industry was not sufficient. In spite of direction from the state planning commission, the material shortage in 1959 could not be overcome. The 1959 end stocks (Endbestände) are sufficient to assure a good start in the production of asbestos products for 1960. The 1960 planned stocks have not been determined.

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Inorganic ChemicalsSulphur (Schwefel-S)

The production plan for sulphur is 107,300 tons. The actual production was 107,800 tons. The fulfillment of the plan in each quarter is as follows:

	<u>Plan</u>	<u>Actual</u>
First Quarter	27,000 tons	28,000 tons
Second Quarter	26,300 "	27,500 "
Third Quarter	26,000 "	25,200 "
Fourth Quarter	27,500 "	27,100 "

The following plants under-fulfilled their production plan.

Kombinat Espenhain	1,360 tons
Elektrochem. Werk Ammendorf	470 tons

Only through the over-fulfillment of production plan by Leuna and Hydrierwerk Zeitz plants was the state plan over-fulfilled. At the beginning of the year, the plan prepared by plants was 2,100 tons lower than the plan submitted by state planning commission.

During the first half of 1959, the state plan had been over-fulfilled by 2,200 tons S. During the third quarter, the production of sulphur was affected by an boiler explosion at Espenhain, and by coal shortages at Leuna and Böhlen. The production of sulphur in fourth quarter was sufficient to cover the plan. Thus the over-production of 2,200 tons S in the first half of 1959 was needed to erase the under-production in the third quarter. The over-production for 1959 was 550 tons.

Although an increase in the supply of sulphur was experienced in 1959, the demands of the consumers could not be completely covered. At the beginning of the year, the central economy had a reserve of 1,500 tons of sulphur over their allocation. During the year 640 tons were released to the VVB Allgemeine Chemie for processing. Because of an over delivery to the reserves in the third quarter, the operative allocations had to be reduced by 970 tons S. During the fourth quarter, the production of sulphur at Wolfen was cut due to difficulties in roasting. During this period, the operative stocks were reduced by 200 tons S. The 200 tons were used to increase the production of CS_2 for exports.

Sulphuric Acid (Schwefelsäure)

The 1959 production plan was 584,400 tons of SO_2 . Actual production for 1959 was 562,400 tons or a plan realization of 96 percent. The under-fulfillment of the production plan was a result of an equipment failure at Premnitz, Oranienburg, Muldenhütten, and the kali-chemie plant at Hunsbirtz. Another reason for the under-fulfillment is the failure of the new plant VEB Feinsink Freiberg to start production on time. This important under-fulfillment of about 22,000 tons did not hamper the chemical industry as SDAG Wismut did not consume all of the 20,700 tons sulphuric acid allocated.

In addition to the planned requirements, a series of newer demands were made upon the industry through the planned 80 percent increase in the overall production which the East German government decreed that the fulfillment be carried out in time for the 10th anniversary of the Republic. These additional requirements could not be covered. The 1959 planned material balance for sulphuric acid did not correspond the desired plan changes. The reason for the in balance between production and consumption was that the production of super phosphate had not been coordinated with the production of sulphuric acid. The sulphuric acid shortage in the first three quarters was covered by withdrawals from general chemicals so that an over-production of super phosphate could be carried out. In the fourth quarter, the sulphuric acid shortage could not be covered by withdrawals from the general chemicals even though about 6,000 tons sulphuric acid were withdrawn in fourth quarter. At the end of year, Wismut returned about 3,000 tons of sulphuric acid.

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Calcined Soda (Soda Kalz)

The 1959 production plan was 578,100 tons. The actual production was 559,200 tons with a plan realization of 97 percent. The state plan was under-fulfilled by 18,934 tons. The decrease in the production of calcined soda was due largely to an equipment breakdown at Stassfurt (damages to calcine drum and compressors), a breakdown at Bernburg (difficulties with steam and steam reduction systems) and a breakdown at Buchenau (boiler explosion which resulted in boiler damages and losses in steam boiler). At the same time the quality of the limestone did not meet the required specifications. During the third quarter a water shortage developed.

The Steudnitz Phosphate works produced 14,900 tons more than had been planned. This was accomplished by reducing the operating reserves. Because of the calcined soda shortage, the thermal phosphate plan was under-fulfilled by 7,200 tons P_2O_5 .

The planned stocks for Steudnitz was 800 tons. This plan was not fulfilled. The Bernburg internal consumption of calcined soda, used in the production of NaOH, was reduced. Farben Wolfen reduced its consumption of soda by 2,960 tons by lowering the MVN (expansion unknown) in the production of fuming nitric acid. The state plan of fuming nitric acid was over-fulfilled by 6,000 tons HNO_3 . The production of washing powders was further reduced.

The under-production of soda was made up by reducing the state reserves, withdrawals of 1,000 tons from stocks, under-fulfilling the allocations to Central Glass Industry by 1,100 tons, lowering the allocations to local economy, to the VEB Textile-Clothing-Leather Industry and to the Reichsbahn.

The export plan of 105,000 tons was under-fulfilled by 238 tons.

Caustic Soda

Also in the field of caustic soda the production plan was not fulfilled. The production plan was 318,000 NaOH. Actual production was 303,000 tons or a plan realization of 97 percent. Reasons for the under-fulfillment:

- | | | |
|-------------|---|---|
| Ammendorf | - | Damaged turbines. |
| Bitterfeld | - | Total destruction of 6,000 kv transformer. |
| Westeregeln | - | Steam and energy problems as a result of boiler explosion. |
| Bernburg | - | Difficulties in the evaporator system; this occurred during the third quarter as the waters of the Saal river were too warm and unpure. |

Because of these difficulties, the production of caustic soda did not meet the demands of the consumers. The planned allocation to consumers was under-fulfilled by 5,400 tons. The planned allocations to VVB Chemiefaser was under-fulfilled by 3,368 tons. This under-fulfillment affected the cellulose production and the planned stocks of the VVB's. The shortage of caustic soda and a equipment breakdown at Lauta was the reason for the under-fulfillment of the calcined alumina production plan. About 2,280 tons of caustic soda were added to the supply by reducing shipments to the local economy and by releasing stocks from the reserves.

During the second half of 1959, the planned imports of 1,500 tons (300 tons - third quarter; 1200 tons - fourth quarter) of caustic soda were not fulfilled. The imports were to come from Rumania and Poland. These imports were to go to the cellulose industry. The third quarter imports were not carried through. During the fourth quarter 140 tons of NaOH were imported from Rumania. Because of a shortage of railway tank cars, the supplying of caustic soda to other industries was a major problem. The export plan was fulfilled. Because of the under-fulfillment of production plan of caustic soda in 1959, insufficient stocks are available to cover the demands of the consumers in the first quarter of 1960.

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Caustic Kali KOH

The 1959 production plan was over fulfilled by 2,184 tons. The Bitterfeld plant produced 1,809 tons. The export plan was over-fulfilled by 1,026 tons. The consumption of caustic kali was increased as follows:

Bitterfeld	800 tons (for the production of 633 tons K_2CO_3)
Ammendorf	220 tons
Buna	100 tons

Chlorine/Hydrochloric Acid

The state plan for the 1959 East German production of chlorine water was under-fulfilled by 5,750 tons. The production of pickle hydrochloric acid (verbreunungssalzsäure) was 6,064 tons over the plan. The imports of 2,700 tons HCL was stored. The hydrochloric acid (Abfallsalzsäure) plan was under-fulfilled by 2,244 tons. The total under-fulfillment in the chlorine production for 1959 (not including primary chlorine) was 1,930 tons. To overcome the shortage of chlorine water, the import plan was increased from 12,000 tons to 14,890 tons. The 1959 total chlorine supply was not sufficient to cover the production plan of the chemicals based on chlorine. During the first quarter 1959, the import plan was lowered. Immediately in the second quarter a decrease in the production of chlorine occurred. This decrease was the result of a burning out of a 6,000 kv transformer at Bitterfeld, turbine difficulties at Ammendorf and Oranienburg, a boiler explosion at Westeregeln, and a power failure at the chlorine installation at Buna. At the same time a large part of the chlorine production had to be let off (Abgeblasen).

An increase in the imports of chlorine water by 2,200 tons assured the production of ethyl chloride and ethylene trichloride at Buna. The total production of chlorine and hydrochloric acid had to be allotted to the operating reserves. This could have been avoided if sufficient storage facilities were available. It is necessary to expand the storage for chlorine by 1,000 tons and for HCL by 500 tons. Because of large stocks at end of 1959, the first quarter 1960 production plan should be fulfilled. The problems that will be foremost in 1960 are the insufficient storage capacity, and the insufficient supplies of chlorine to meet the demands of the consumers. In 1960 the question of building a chlorine pipeline from the electrolysis plant to the refined chlorine plant will have to be resolved.

Nitrogen Compounds

The Leuna chemical plant could not produce sufficiently a good quality of ammonium chlorate. This shortage was overcome by an increase in the production of DAB-6. The production of sodium cyanide was not sufficient to cover the requirements of the consumers, therefore, it was necessary to import. Because of the small sugar beet harvest in 1959, the raw material (Dickschlempe) was in short supply. During the fourth quarter a production deficit of 80 tons occurred. The requirements of the Galvano- and Hartsalz Industry was not fulfilled. This situation will remain the same for 1960.

The Leuna plant was responsible for the fulfillment of the production plan for ammonia. The state plan of nitrogen fertilizers was over-fulfilled by 2,840 tons. This was accomplished only through the over-fulfillment of the ammonia plan. The planned deliveries of nitrogen fertilizers to agriculture was over-fulfilled by 3,800 tons. This was possible only through the over-production of nitrogen fertilizer and by releasing nitrogen fertilizer from the operative reserves.

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Phosphorous Compound

The state plan for the production of phosphorous fertilizers was barely over-fulfilled. Due to a shortage in soda, the production of thermal phosphate could not be met. Therefore, the production was shifted to super phosphate and Thomas meal. About 3,750 tons P_2O_5 which was produced over the state plan was delivered to agriculture. This over-fulfillment was possible only through the over-production, the reduction of stocks, and the decreasing of the operative reserves. The production plan for yellow phosphorous was over-fulfilled. Because of an over-production of yellow phosphorous and by lowering the consumption of yellow phosphorous in the production of trikresylphosphate; the production of technical grade phosphoric acid was over-fulfilled by 1,380 tons. With the improvement in the supply of phosphoric acid and phosphate salts, the supply to the washing powder industry was improved.

All exports of nitrogen-, phosphor, and metal compounds were fulfilled except for the following:

Calcium Chloride	877 tons S_2
Dicyanogen (Dicyandiamid)	34 tons

Yellow Phosphorous

The 1959 production plan of yellow phosphorous was 8,200 tons. Actual production was 8,500 tons or a plan realization of 104 percent. With the under-fulfillment of the production plan of trikresylphosphate at the Bitterfeld plant, the returning of the yellow phosphorous not needed in the internal consumption at Piesteritz plant; the excess yellow phosphorous was used in the production of phosphoric acid. The production plan of phosphoric acid was over-fulfilled.

Phosphorous Fertilizer

The 1959 production plan was 138,400 tons P_2O_5 . Actual production was 138,800 tons or a plan realization of 100 percent. The import plan of 63,000 tons was fulfilled by 63,100 tons. In the various assortment of fertilizers serious production discrepancies appeared. The under-fulfillment of the alkali-cinter phosphate production plan at Steudnitz had to be equalized by an over-production of super phosphate, and Thomas meal. The fertilizer import plan could only be fulfilled by importing Thomas meal and super phosphates.

Nitrogenous Fertilizer (Stickstoffdungmittel-N)

The production plan was 326,500 tons of N. Actual production was 329,300 tons of N or a plan realization of 101 percent. The following selected fertilizers have over-fulfilled the production plan.

Ammonium Sulphate	4,000 tons
Calcium Ammonium Nitrate	1,900 tons
Potassium Ammonium Nitrate	100 tons

The following did not fulfill the plan.

Soda Nitrate	1,300 tons
Crude Calcium Cyanamide	1,800 tons

The plan fulfillment of nitrogen fertilizer was possible only through the over-production of ammonia. To improve the selection of fertilizers for agriculture, an additional import of 14,000 tons N calcium ammonium nitrate was planned and fulfilled as opposed to the delivery of 14,000 tons N ammonium sulphate. The export plan was 94,200 tons N. Actual exports were 94,400 tons N or a plan realization of 100 percent.

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Calcined Alumina

The production plan was 58,500 tons Al_2O_3 . Actual production was 55,300 tons or a plan realization of 95 percent. The import plan was 25,000 tons Al_2O_3 . Actual imports were 15,200 tons or a plan realization of 61 percent.

The supply of calcined alumina was insufficient for 1959. The domestic production at Lauta plant was under-fulfilled by 3,200 tons. The import plan was 25,000 tons. Actual imports were 15,200 tons. The contract with Hungary called for 15,000 tons. The shortage was made up by taking 10,000 tons, which had been earmarked for state reserves, and used in the production of alumina. By this method the supply to Bitterfeld for the production of aluminium was covered. The plants have reduced their supply reserve of calcined alumina by 2,000 tons. First the under fulfillment production plan affected the state reserves. The planned storage of 8,000 tons was under fulfilled. Only 2,300 tons were put in storage. The turn over in state reserve inventories were 6,000 tons of which 5,200 tons were taken out and 1,500 tons were put back in. The decrease in the planned inventories (Bestande) of the state reserve will work hardships in the years to come. The covering of requirements by lowering the stocks of state reserves was necessary. In spite of these measures taken, a reduction in deliveries of alumina to Bitterfeld was necessary. The stocks for 1960 are very low and only through careful supervision will the 1960 plan be fulfilled.

Boron Compound and Boric Acid

Like in 1958, a shortage of borax and boric acid existed in 1959. The production plan was 4,000 tons. The actual production of borax was 1,259 tons or a plan realization of 31 percent. The production plan for boric acid was 1,000 tons. Actual production was 754 tons or a plan realization of 75 percent.

1959 Production Plan fulfillment by Quarters

First Quarter	58 percent
Second Quarter	56 percent
Third Quarter	83 percent
Fourth Quarter	103 percent

The over-fulfillment of the fourth quarter plan was possible only through the disposal of all available stocks. To better the supply of boron compounds, fritters were imported.

During the year there existed a shortage of boron compound. At the beginning of 1959, the supply of boron material was nil. To alleviate the situation, 300 tons of Chinese borax ore were shipped from Czechoslovakia to East Germany. In the second quarter, the first shipment of borax ore were received from the Soviet Union. The quality of this ore was so poor that it could not be used in production of borax. The quality of the Chinese ore was such that great production difficulties were encountered.

About 32 percent of the planned production was fulfilled. An additional 325 tons of borax were imported. This did not satisfy the demands of the consumers. At the end of year, the planned balance was under-fulfilled by 1,400 tons. Because of difficulties in purchasing borax, the department of Trade imported cinders.

The production of boric acid was under-fulfilled. Actual production was 80 percent of the total planned. With the under-fulfillment of the plan, serious difficulties were encountered in the optical industry. At the Condensor plant, Freiberg, adipinic acid was substituted for boric acid.

Boron Ore

The planned 1958 and stocks of boron ore were not achieved. The 1958 import plan called for importation of colemanite ores from Turkey. This plan was not successfully carried out. Boron Ores with a low B_2O_3 content were imported from Soviet Union and China. The 1959 import plan was 7,000 tons of colemanite. A lack of shipping delayed the shipments until late May. In 1959 a total of 9,416 tons of boron ore were imported. Of this 3,714 tons were from China and 5,702 tons from the Soviet Union.

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Import of Boron Ore by Quarters

First Quarter	-
Second Quarter	208 tons
Third Quarter	3,851 tons
Fourth Quarter	5,357 tons

The boron ore imported from China is not suitable for the production of boric acid. Therefore, the boron ore from China is used in producing borax. The boron ore imported from the Soviet Union is used in production of boric acid. The production of borax experienced difficulties because of the low content of Chinese boron ore.

Nickel Sulphate

The production plan was 470 tons. Actual production was 373 tons or a plan realization of 79 percent. The under-fulfillment of the plan was based on the failure to fulfill the nickel imports. The import plan was 750 tons. Actual imports were 730 tons. The under-fulfillment could only be covered by the consumption of existing stocks. Thereby, the stocks were so reduced that difficulties are apparent in the 1960 production of ferrous nickel Galvanosalzen.

Resources for Metals Industry

The 1959 supply of chromiferrous galvanosalzen and refractory (Hartensalzen) for metal processing industry was not sufficient. Production of chromiferrous galvanosalzen could not be carried out because of a shortage in chromic acid. The production plan of chromic acid was under-fulfilled because of a shortage in potassium bichromate.

The production plan of chromic acid was under-fulfilled. The shortage of potassium bichromate and a equipment breakdown were the reasons for the under-fulfillment of the plan. The machine building industry failed to meet its export plan due to the shortage in chromic acid. Sodium bichromate was imported as a substitute. Twelve tons of chromic acid were imported which were not included in the plan. To improve the production of chromic acid, sodium bichromate was imported. The requirements of chromiferrous galvanosalzen and hartensalzen were not covered. Because of a shortage of sodium cyanamide, these salts could not be prepared in sufficient quantities. The production of sodium cyanamide was under-fulfilled. The necessary pre-product vinasse slops (Dickschlempe) was not available due to a small sugar beet crop. The planned import of vinasse slops could not be carried out.

Metal Compound

The shortage of raw nickel salt was the reason for not fulfilling the nickel sulphate production plan. Actual production was 90 percent of plan. The import plan was under-fulfilled. Actual imports were 97 percent of the plan. These shortages had an serious affect on the production of accumulators. To meet the production plan, the large end-stocks of nickel sulphate were released to meet the production demands of accumulators. The 1960 plan will experience great difficulties in fulfilling its production.

Urea

The production plan was 11,200 tons. Actual production was 12,100 tons. The original import plan was 1,800 tons. The revised import plan of 2,000 tons was fulfilled. By the end of the third quarter the production plan was under-fulfilled so that it was necessary to revise the original plan. The over-fulfillment of the production plan was used in the production of piatherm and synthetic glue.

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White Pigments

Listed in the table below are the planned and actual production figures for white pigments and the planned and actual allocations to the lacquer industry.

<u>Product</u>	<u>Production and Import</u>		<u>Allocations to Lacquer Industry</u>	
	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>
Lithopene	12.0	12.1	7.7	8.0
White zinc	14.7	15.9	6.4	7.3
	<u>4.1</u>	<u>4.0</u>	<u>1.0</u>	<u>1.1</u>
Total	30.8	32.0	15.1	16.4

Unit of measure: thousand metric tons.

It is expected that in the first quarter 1960 there will be a shortage in the supply of white pigment. The production of white zinc at Bernsdorf has been decreased.

Red Lead/Lithargo

The production plan of lithargo was 4,500 tons. Actual production was 4,852 tons. The plan was realized by 108 percent. The glass, accumulator and the lacquer industries were sufficiently supplied. The stocks of red lead for 1960 are 160 tons.

Chrom Dye

To meet the supply of chrom dye for the lacquer industry and to fulfill the export plan, all available reserves of chrom dye had to be used. The supply of chrom dye to the rubber industry and the plastic industry was not sufficient.

Calcium Chloride

During the first quarter 1959, the production of calcium chloride was under-fulfilled because of technical difficulties. Because of a shortage in calcium chloride, the production of Baucaalidin and Kuksale could not be undertaken in time to fulfill the plan. The consumption norm of VEB Normania Schoebeek is as follows:

	<u>Planned Consumption</u>	<u>Actual Consumption</u>
Calcium Chloride 90-95%	2.8 tons	3.5 tons
Calcium Chloride Lumps	2.24 "	2.38 "

Insufficient storage space for calcium chloride is the most pressing problem.

The production of calcium chloride lye was halted during the third quarters because of a shortage in storage capacity. About 500 tons of lye were shipped to Halde.

Hydrogen Peroxide

The production plan as well as the import plan were fulfilled. During the second half of the year, the requirements of the textile and celluloid industry were substantially increased. These demands could not be covered in 1959 because of a poor quality of hydrogen peroxide produced.

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Potassium Permanganate

The production plan of potassium permanganate was fulfilled. However, the supply available to the consumer was miscalculated. The VVB Pharmacy prepared requirements for the production of INH only for the first half 1959; believing that the production of INH would be taken over by the VVB Mineral Oil in the second half 1959. VVB Mineral Oil had not planned to produce INH. The dysentery epidemic further increased the requirements for potassium permanganate. Only through decreasing the allocations to Wismut was it possible to meet the consumers demands.

During the first quarter 1959 technical difficulties arose in the production of potassium chloride. The plants for production of potassium chloride were closed for many months. Because of this shutdown the export plan could not be met.

Sodium Sulphate

In 1959 a production breakdown occurred at the Kali work Stassfurt plant. During the second half of 1959, the supply of Na_2S was no longer assured for the leather industry. At this time the production plan was 380 tons under the plan. To meet the plan the operative allocations were changed. The production of sodium sulphate was resumed at Stassfurt at the beginning of 1960.

Potassium Bichromate

Because of difficulties at the plant the production plan of 6,120 tons was not met. Actual production was 5,932 tons or a plan realization of 97 percent. This production is 320 tons lower than 1958. This under-fulfillment affected the production of wood preservative supplies, chrom dye, metachrome mordant, and nitrobenzoic acid.

Carbon Black

The acetylene black production plan was 16,100 tons. Actual production was 16,300 tons or a plan realization of 101 percent. The production plan for gas black was 3,300 tons. The actual production was 2,800 tons or a plan realization of 86 percent. The import plan of 2,000 tons of acetylene black was fulfilled. The import plan for gas black was 2,000 tons. The actual imports was 2,200 tons.

Organic Basic Chemicals

The production of organic basic chemicals in East Germany is depended on the preparation of calcium carbide. The Buna plant is the largest producer of this basic chemical. The production plan of Buna was fulfilled.

Calcium Carbide

The actual production of calcium carbide was 886,000 tons or a plan realization of 102 percent. The production plan was 870,000 tons. In the preparation of the material balance plan a miscalculation of 14,000 tons was made for the first half of 1959.

First Quarter	12,000 tons
Second Quarter	2,000 tons

The production plan for first quarter was 204,000 tons or an over-fulfillment of the plan by 11,300 tons. The following table shows the production of calcium carbide by quarters giving the planned and actual production figures by quarter.

First Quarter	204,000 tons	215,300 tons
Second Quarter	222,000 "	219,900 "
Third Quarter	221,400 "	226,700 "
Fourth Quarter	222,600 "	224,100 "

The following chemicals which are based on calcium carbide did not fulfill the production plan.

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	<u>Plan</u>	<u>Actual</u>
Crude Calcium Cyanamide	20,000 tons	18,200 tons
PVC-Pulver	57,400 tons	56,200 tons
Synthetic Rubber	85,500 tons	85,200 tons
Phthalsauressanhydride	9,800 tons	9,300 tons

The production plan for Butanol was 26,600 tons. The actual production was 27,800 tons. Because of equipment failures, the production plan of crude calcium cyanamide was under-fulfilled.

Acetic Acid, Technical Grade

Technical grade acetic acid is produced at Bums as a by product of calcium carbide production. The production plan was 46,800 tons. Actual production was 47,000 tons. The Finowthal plant did not fulfill its production plan. The production plan was 750 tons of which only 285 tons were produced. The production of acetic acid anhydride was lowered. The acetic acid allotted for production of acetic acid anhydrides was made available to the production of butyrazetat, athylazetat, methylazetat and azeton.

Anhydride, Acetic Acid

The 1959 production plan was 3,600 tons. Actual production was 3,240 tons. The lowering of production of anhydride acetic acid was a result of the lowering of requirements of anhydride acetic acid for the production of acetylzcellulose at the Finowthal plant. The export plan of 1,100 tons was over-fulfilled by 100 tons.

Phthalic (acid) Anhydride

The state plan for the production of phthalic acid anhydride was 9,820 tons. The actual production was 9,350 tons. The under-fulfillment of the plan by 470 tons was due to a power failure and difficulties in the number 2 oven. The export plan was reduced to insure a sufficient supply of phthalic acid for the production of phthalic softners and artificial resin. The export plan was 4,150 tons and was under-fulfilled by 410 tons.

Trichlorathylene

The state plan for trichlorathylene was 20,000 tons. The plan was over-fulfilled by 1,375 tons. The original operative plan was 21,860 tons. Because of a poor chlorine situation, the actual fulfillment was 21,375 tons. The plan for exports was 8,300 tons. This plan was later increased to 10,000 tons and then reduced 130 tons.

Glycol

The 1959 production plan was 9,400 tons. Actual production was 9,100 tons or a plan realization of 97 percent. The operative plan was 9,700 tons. The failure to fulfill the plan is due to a chlorine shortage. The original export plan was 6,000 tons and later this plan was increase to 6,150 tons.

To insure the production of explosives and glysentin (a frost protective material used by people's Army), the export plan was reduced by 460 tons. Of this about 170 tons of glycol was shipped to the explosive industry.

Softner (Weichmacher)

The following table gives the 1959 plan, actual production, and delivery of softners to various sectors of the economy.

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<u>Product</u>	<u>Plan</u>	<u>Revised Plan</u>	<u>Actual Production</u>
Phthalate	5620	5740	5627
Mesamoll	9100	9273	9273
Trikresylphosphate	5600	5600	3714
Rodamolle	3180	3050	3086
Others	2900	3200	3200
Total	26400	26863	24900

Products To:

<u>Chemical Sector</u>	<u>Plan</u>	<u>Revised Allocation</u>	<u>Actual Allocation</u>
Phthalate	2138	2251	2258
Mesamoll	3753	3893	3911
Trikresylphosphate	1565	1591	903
Rodamoll	647	654	661
Other	1204	1432	1352
Total	9307	9821	9085

Elektrotechnik

Phthalate	796	829	827
Mesamoll	923	964	971
Trikresylphosphate	774	774	564
Rodamoll	270	260	266
Other	177	190	194
Total	2940	3017	2822

Textile, Clothing and Leather Industry

Phthalate	604	664	665
Mesamoll	2080	2109	2095
Trikresylphosphate	1419	1446	970
Rodamoll	455	460	467
Other	979	1115	112
Total	5537	5794	5309

Local Economy

Phthalate	540	622	625
Mesamoll	820	902	897
Trikresylphosphate	450	340	229
Rodamoll	300	365	366
Others	211	232	220
Total	2321	2461	2337

Trikresylphosphate

The state plan for trikresylphosphate was 5,600 tons. Actual production was 3,700 tons. Because of an equipment breakdown in the production of phosphorus trichloride and phosphorus trichloride, the production of trikresylphosphate was under-fulfilled. In addition, the production of trikresylphosphate was further hampered due to poor quality of cresol, equipment breakdown at the TKP plant, and a production fall off in second half of 1959. The export plan of 1,000 tons was reduced to 250 tons.

Aethylazetat

The state plan was fulfilled. Because of an equipment breakdown (breaking of pipes), the operative plan was under-fulfilled by 1,200 tons. About 600 tons of aethylazetat were exported. The lacquer and paint industry received 600 tons of aethylazetat.

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Methanol

The 1959 production plan was 63,600 tons. Actual production was 66,400 tons or a plan realization of 104 percent. The import plan was 9,000 tons which was later decreased by 2,700 tons. The 1959 actual imports were 6,400 tons. The export plan of 4,000 was later decreased by 2,300 tons. The actual exports were 2,200 tons. The over production of methanol was used in the production of formaldehyde.

Formaldehyde

The production plan was 25,000 tons. Actual production was 26,100 tons or a plan realization of 104 percent. The following table shows the increase in the production of formaldehyde in the first quarter of 1959 over 1958.

First Quarter 1958	19,600 tons
First Quarter 1959	26,100 tons

The actual import of formaldehyde was 500 tons. This large increase in the production of formaldehyde was due to a increase in the production capacity.

First Quarter	5,800 tons
Second Quarter	6,200 tons
Third Quarter	6,600 tons
Fourth Quarter	7,400 tons

The requirements for formaldehyde in the first half of 1959 could not be covered. In the second half of 1959, the supply of formaldehyde was more favorable. During the first quarter 1960, large quantities of formaldehyde were returned.

Camphor

The production plan was 1,270 tons. Actual production was 1,030 tons or a plan realization of 81 percent. The production plan for camphor was under-fulfilled by 240 tons. The production plan for camphor could not be met because of a shortage of high concentrated formic acid. The under-fulfillment of 240 tons meant that the exports were cut by 180 tons and various consumers were cut by 60 tons. This under-fulfillment worked hardships on the celluloid and film industry.

Glycerol

The production plan was 350 tons. Actual production was 305 tons or a plan realization of 87 percent. The import plan was 1,800 tons. Actual imports were 1,945 tons or a plan realization of 108 percent. The import of glycerol was irregular. During the first quarter 1959 the production of epichlorohydrin and dichlorophydrin were stopped because of a shortage of glycerol. The production plan for artificial resin had to be altered because of this irregular flow of glycerol.

Kaprolaktan

The production plan was 8,000 tons. Actual production was 8,700 tons or a plan realization of 109 percent. This over-fulfillment was possible only through the importing of 300 tons of zykhlohexanon.

The East Germans exported kaprolaktan to Czechoslovakia. About 150 tons of kaprolaktan were turned over to the VVB Chemiefaser for the production of dechlorofasern. The largest part of kaprolaktan production went to Louna plant for further processing to be used in the production of miramid, wire lacquer and mission.

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Glycerin

The state plan of glycerin (including imports) was 2,367 tons. Actual fulfillment of the plan was 2,250 tons. Because of the under-fulfillment of plan, the production of epichlorhydrine and dichlorhydrine were stopped.

Monochlorobenzol

Through an equipment breakdown at Bitterfeld and a shortage of benzol, the production plan of 14,250 tons was under-fulfilled by 1,880 tons. Actual imports of monochlorobenzol was 1,200 tons.

Chemicals and Chemical-Technical Special ProductsMovie Film

The production plan of AGFA Wolfen plant was realized at 103.3 percent. The black/white film production plan was 11,178 thousand square meters (Tqm). Actual production was 11,534 Tqm or a plan realization of 103 percent. The production plan of colored movie film was 3,857 Tqm. The actual production was 4,378 Tqm or a plan realization of 113 percent. The over-fulfillment of the plan was possible only through the import of 700 Tqm of film base. The export plan of black/white film was 8,400 Tqm. Actual exports were 8,839 Tqm or a plan realization of 105 percent. The export plan for colored film was 3,248 Tqm. Actual exports were 3,588 Tqm or a plan realization of 110 percent. The production of movie film black/white for the population was not fulfilled. The plan was 830 Tqm. Actual production was 732 Tqm. A part of the production of colored film was taken over by DEFA from Wolfen without the permission of State Chemical office. This shifting of production from one plant to another was the reason for not fulfilling the planned stocks of colored film.

Photo Paper

The production plan of black/white photo paper was 10.6 Mqm. Actual production was 11.4 million square meters (Mqm) or a plan fulfillment of 108 percent. The sales of photo paper decreased. The over-production went to the wholesale dealers as stocks. A production of 600 Tqm of photo paper is planned over the 1960 requirement needs. Reduction in exports was due to the low quality of the photo paper.

Recorder Tapes

The production plan for recorder tapes was 780 thousand kilometers (Tkm). Actual production was 696 Tkm or a plan under-fulfillment. This reduction is due to the lowered purchases by the population than had been planned. Of the production of 161 Tkm of tapes, retail trade took 67 Tkm. In the first three quarters of 1959, department of foreign trade had a sizeable reserve on hand. The production of tape was decreased. However, the situation changed in the fourth quarter when the Soviet Union imported large quantities of tapes. The entire production as well as the stocks of the foreign trade were made available for this one export and by doing so the supply of long playing tapes became critical. As a result the 1959 end stocks were not fulfilled.

The sales of tapes will not increase in 1960. The quality of the tapes will prevent the department of foreign trade to increase sales. The problem of disposing the tapes will become more difficult in 1960 as stocks from the district warehouses will be released.

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The quality of East German photo products when compared with the world standards are low. Before and immediately after the war, the photo products, especially those from Afga, were on par with the world standards. Presently the quality of movie film and tapes has been the major obstacle in marketing these products. The photo industry must undertake to increase its exports - black/white movie film by 80 percent and colored film by 85 percent. The poor quality of the photo paper is the result of the raw materials used. The photo industry and the paper industry must undertake measures to improve the quality of the paper.

Insecticides

The production of DDT-wirkstoff in quantity was fulfilled. Because of equipment difficulties and a deficit in the production of monochlorobenzol, the planned distribution of DDT-wirkstoff in lumps and DDT-wirkstoff powder was not fulfilled. The export plan of DDT-wirkstoff was barely fulfilled. The export plan of selected DDT-products was not fulfilled. The production and export plan of HCH-wirkstoff were over-fulfilled. The 1959 production of Wofatox-dust was 45,000 tons of which 40,000 tons were exported. The Soviet Union purchased 30,000 tons and the remaining 10,000 were purchased by other Socialistic countries. In the first quarter 1959 the shortage of phosphorous trichloride worked difficulties on the production of Wofatox and highly concentrated phosphoric acids. These difficulties were overcome during the year. The agriculture requirements for insecticides and weed killing powders could not be met, especially in the selected weed killing products such as herbicid, spritzhornit, and silirungs powders. The demand for these powders were made by agriculture during the middle of the year and could only be met through an increase in the production capacity. The attempt to increase the production capacity was not successful.

The 1959 drought lowered the demand for silirung. The supply of silirung for East Germany was increased through imports. These imports consisted both of raw materials and finished products. Because of the poor timing, the supply of silirung is quite large. Presently, the district warehouses and the HMG have large stocks on hand. Difficulties could arise if agriculture levies large demand for Maisunkraut and Sirazin(insecticides).

Fat Raw Materials (Fettrohstoffe)

The new alcohol plant at Rodleben did not function properly in 1959. To meet the demands of the consumers for alcohol, 751 tons of alky benzol had to be imported. Because of the lowered alcohol production, quantities of sebacic acid were exported. During the fourth quarter the soap exports were reduced to increase the domestic supply. In the production of animal fats, the planned increase through technical advances did not materialize. About 1,000 tons of animal fat had to be imported. The import plan of olein and stearin could have been reduced by 600 to 900 tons.

Household Chemicals

The household chemical requirements were met in 1959. However, many difficulties were encountered in the preparation of an assortment of products and also in the quality of the product. The products of the washing powder industry like "Fey" and "Fit" were not prepared in sufficient quantities. These shortcomings are the result of an insufficient production capacity and a lack of raw materials (sodium perborate, phosphoric acid salt). During the fourth quarter the soap exports were reduced. Thus an oversupply of soap developed in the domestic trade. In general the production of many varieties of soap products is quite difficult.

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The shortage of menthol had a serious effect on the perfume and cosmetic industry. Especially in the production of tooth pastes, mouth wash, hair oils, and Eau de Cologne. To prevent under-fulfillment of the plan, the VVB Allgemeine Chemie and the Fachgebiet Haushaltschemie must coordinate the production plan and the materials allocation plan.

The production of fischsilver by a private plant has insured a better supply of perlmuttagellack. The production was sufficient for domestic consumption and for export. Recently the quality of fischsilver was lowered due to difficulties in the production of hard paraffin at the Zeitz plant. The export plan for 1960 is expected to be fulfilled.

Because of a problem in the preparation of vinitex and polyvinylacetat, only about 50 percent of the requirements of floor cleaner and floor wax could be covered in 1959. Although in the production of household chemical products there exists extra capacity, many difficulties occurred in the preparation of the raw materials because of splitting up the production of household products among the small plants. A standardization and coordination must be carried out between production requirements and quality of raw materials.

Lacquer and Paints

The production plan of the VVB Lacquer and Paints was realized by 104.1 percent. However, in the production of assorted stocks, many difficulties were encountered. This was especially true in the production of nitro-lacquers and in solvents. The export plan of lacquer was fulfilled but the domestic supply was under-fulfilled. This under-fulfillment of the domestic supply of lacquer created many difficulties in the furniture and machine building industry. This under-fulfillment of the production plan was met by using the existing stocks. Because of this, the furniture industry in the first quarter 1960 could not fulfill its plan. In spite of under deliveries of phthalic anhydride and glycerin, the production plan for lacquer based on pine resin was fulfilled. The distribution plan of lacquer and paint was fulfilled by 120 percent. The request by consumers that the lacquer and paint be prepared in smaller packages and that paints be prepared in brighter colors could not be carried out. The export plan for lacquer and paints was over-fulfilled. The production of vinoflex-lacquer is not assured in 1960 because of an increase in the demand of other consumer on raw materials used in the production of this product. This under-fulfillment will result in difficulties for the machine building industry, especially the ship building industry.

Animal Glue

The requirements for animal glue decreased in 1959. The production of glue from bone and scrap leather increased. The failure to sell animal glue is the reason for the large piles of bones at Tangermünde plant. The state health inspectors are alarmed at the huge piles of bones because of health reasons. A solution to the problem is to grind the bones for feed. But first a grinding mill has to be built. The sale of synthetic glue in 1959 increased significantly. During the fourth quarter an export market for skin glue was found. An increase in the requirements for animal glue by the East German consumers is not anticipated.

Photo Gelatin

The production of photo gelatin by the Calbe plant still does not meet the quality requirement set forth by the photo industry. About 60 tons of gelatin were transferred to the food industry.

Food Gelatin

In 1959 the requirement for food gelatin could not be covered by production and imports. The same situation will exist in 1960.

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Textile Remedy (Textilhilfsmittel)

The production of textile remedies for export has improved considerably. The 1960 export plan was increased by about 20 percent over the 1959 plan. In the production of TWZ significant progress was made in assortment and quality of the products. A large part of the export commitments to the Soviet Union were covered. Difficulties still exist in the purchasing of raw materials. The import plan for textile remedies was fulfilled.

Synthetic-Organic Tanning Material

The production plan of tanning materials was not achieved because of production problems in phenol and creosol. Thus the leather industry was depended on imports and stocks. The 1959 planned stocks were not fulfilled. This under-fulfillment will further hamper the growth of leather industry.

Plastic and Plastic Products

In 1959 the situation in the field of plastics and plastic products did not improve. The discrepancies that developed in 1958 between production and requirements continued to expand throughout 1959. The situation was especially bad in plastic products. This program for the most part is tied in with other programs, such as the construction program, refrigeration program etc. At the same time additional demands were made for newly developed products. The light industry has requested for the production of Raschelteppiche 3,600 tons of vinitex. To fulfill this request, a delivery of 1,500 tons PVC-Pulver and the necessary softener had to be made. The construction industry has initiated a program for 1960-1965 to develop plastics for use in construction. This program cannot be carried out in the seven year plan. To meet all the requirements, it is necessary to increase the production capacity. The VEB Yacht plant at Köpenick, the VEB Plastic plant at Friedrichshagen, and Wagner plant at Sebnitz have placed an order for 1,100 tons of polyester in 1960. The total requirements of polyester for 1960 is 1,240 tons. The VEB Buna plant has a production capacity of 600 tons. The assured production for 1960 is about 250-300 tons. A new installation is being built at Staaken but it is doubtful whether the production of polyester will start in time to meet the requirements.

PVC-Pulver

The following table is the 1959 production plan and actual production of PVC-Pulver for the VEB Chemical Plant Buna and VEB Elektro-Chemical Kombinat Bitterfeld.

Plant	Planned	Actual	Difference
VEB Buna	45,400 tons	45,928 tons	+0,528 tons
VEB Bitterfeld	12,000 tons	10,271 tons	-1,729
TOTAL	57,400 tons	56,199 tons	-1,201 tons

The under-fulfillment of the plan is result of a production mishap in vinylchloride. In the third quarter a contact poisoning occurred. This production mishap resulted in a loss of 1,700 tons and only through over-production in the other three quarters was it possible to narrow the gap. In order to obtain a larger production of PVC, the deliveries of vinylchloride must be sent to Buna rather than Bitterfeld. The consumption rate is higher at Bitterfeld than at Buna. The result of the production mishap is shown below: The following products under-fulfilled the plan because of a shortage in vinylchloride.

- 800 tons PVC-plastic
- 20 tons special felt for coats
- 265 spritzmasse
- 280 tons PVC-Soft foil
- 163 tons Ekalit-special felt
- 115 Tqm floor covering

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Other affects were as follows: the construction sector (floor covering); the production of heavy conveyor belts and driving belts, and in the manufacturing of spraying masse (Spritzmasse).

The export plan was fulfilled. The end stocks of PVC-pulver are sufficient to assure the production at Bitterfeld and Eilenbruger celluloid plant for the first quarter 1960. There is a considerable difference in the balance between production and requirements plan for 1960.

Polystyrol

The 1959 production plan was 3,714 tons. Actual production was 3,985 tons or a plan realization of 107 percent. The import plan of 300 tons was fulfilled. Because of the over-production large quantities of polystyrol were transferred to VVB Elektro-technical and to the local economy. The export plan of 775 tons was fulfilled. The stocks at the beginning of 1960 were 133 tons. About 65 tons have been allotted to cover the requirements in 1960. The difference between the requirements and production plan in 1960 is something like 2,400 tons.

Celluloid

The production plan was 830 tons. Actual production was 800.5 tons or a plan realization of 96 percent. This under-fulfillment of production plan is due to a deficiency in formic acid and camphor. The optical industry (VEB Rathenower plant, the Manufacturing Society of Optical Handwork, and other factories) had to use their stocks in order to meet their production plan. The import plan was 117 tons. Actual imports were 111 tons or a plan realization of 95 percent. The difference was to be delivered on the first of January.

Miramid

The production plan was 774 tons. The actual production was 799 tons or a plan realization of 103 percent. The over-production was delivered to the armature plants, the electro-technical industry and to the shoe sole industry. The production plan for 1960 is the same as in 1959. The Leuna plant has an excess production capacity of 200 tons that could be used if necessary. If the production plan can not be covered then the excess production capacity will be used. Presently, the requirements for production of handstaubsauger, polyamide heels, and polyamide sole are not covered.

Polyvinylacetate

The production plan was 3,900 tons. Actual production was 4,100 tons or a plan realization of 105 percent. The over-production was to be used in the production of Buna-prene and glue. This plan was not carried out. Additional uses for polyvinylacetate was in the lacquer industry and in construction industry. About 35 tons of MPS/SP were used by the record industry. The difference between requirements and production plan for 1960 are estimated at 2,300 tons. The consumption relationship in East Germany between PVC and PVA is 93 percent to 7 percent respectively. In West Germany the relationship is 60 percent versus 40 percent.

Vinitex

The production plan was 1,710 tons. The actual production was 1,690 tons or a plan realization of 97 percent. In the third quarter a production deficit of 70 tons occurred in Buna. With the help of a production increase and releasing of stocks in the fourth quarter the deficit was decreased to 30 tons. The differences between requirements and production plan for 1960 is 700 tons. The production of vinitex at the new installation will not start until May 1960.

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Polyacrylnitril/Dimethylformamid

The production for 1959 was fulfilled. These commodities are used in the manufacturing of Wollerylon and Prolama.

Styrol

The production plan was 29,890 tons. Actual production was 30,830 tons or a plan realization of 103 percent. At the beginning of 1959 the material balance did not cover the requirements. However, with this over-production the difficulty has been removed.

Epoxydharze

In 1959 an attempt was made to produce 50 tons of this product. The 1960 production plan for Leuna is 108 tons of epoxydharz. Of this 11 percent will be cornal (Harter) which has to be further processed in Buna. The requirement for Giessharz is now 300 tons.

Phenol-PressmassenPressmasse, powder form

The production plan of 14,130 tons was over-fulfilled. The actual production was 14,800 tons or a plan realization of 105%.

Schnitzelpressmasse

The production plan was 930 tons. Actual production was 1,025 tons or a plan fulfillment of 110%.

Meladurpressmasse

The production plan was 2,640 tons. Actual production was 2,696 tons or a plan realization of 102%.

Didipressmasse

The production plan was 5,760 tons. Actual production was 5,792 tons or a plan realization of 101%. The requirements for white meladurpressmasse could not be covered. This material is used in manufacturing products for exports (telephone, pushbuttons, etc). The export plan was fulfilled.

PVC-Hart

The production plan was 12,457 tons. Actual production was 12,337 tons or a plan realization of 99%. The 1960 plan production is 14,330 tons. In spite of the planned production increase of 1,873 tons as shown below, the requirements of industry for PVC-Hart will not be covered. The production of coveitreights and wastepipes will not be possible in 1960.

PVC-hart-pipes	740 tons
PVC-hart-foils	1,023 tons
PVC-plates	110 tons

PVC-Soft

The production of soft product from PVC was affected by the production difficulties in softeners (weichmachern). Also the production difficulties in the PVC-Pulver affect the production of PVC-Soft.

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PVC-Soft-Foils

The production plan was 4,441 tons. Actual production was 4,080 tons. This deficit created difficulties in the processing industries, especially in the packing section of the Machine building industry and also in the packing section of chemical industry.

PVC-Plastic

The production plan was 3,300 tons. Actual production was 3,190 tons or a plan realization of 97%.

PVC-Spritzmasse, granulated

The production plan was 3,350 tons. Actual production was 3,060 tons or a plan realization of 91%. Because of the under-fulfillment of production plan, production difficulties arose in rolling mill at Hettstedt. The production of cable conduction, and UKW-band strips was lowered.

PVC-Sole material

The production of sole material from PVC was fulfilled except for Elmazoll and Poroplast. The requirements of shoe industry for heels was fulfilled. Elmazoll is used in the fishing industry and the aircraft industry. When their requirements have been fulfilled the remainder goes to the shoe industry. In general, the outlook for production of soft product from PVC is very poor. In 1959 one-third of the production of PVC could have been used in PVC-plaste and 435 tons in Spritzmasse and 900 tons in foils and many other uses.

PVC-Dachrinnen

In 1959 the PVC-Hard-foil could not be produced in sufficient quantities to cover requirements. Only 55 percent of requirements were covered. The same picture is true for 1960.

Plathern

The production plan was 142,000 cbm. The actual production was 158,300 cbm or a plan realization of 111%. This over-production is a result of the support from the Free German Trade Union in the interest of rail transportation equipment and ship building industry. During the year the requirements for plathern increased in various sectors of the economy. These requirements could not be fulfilled. The construction industry, refrigeration manufactures, and agriculture were especially hit hard. There is no relief for these industries in 1960. The demand from the Soviet Union of 60,000 cbm plathern can not be met. To assist in the production of plathern, the Soviet Union is shipping urea and formaldehyde. The imports of urea and formaldehyde will increase the production from 25,000 cbm to 40,000 cbm. The VVB Railway Transportation Equipment industry and the VVB Shipbuilding industry will encounter great difficulties in 1960.

Perfol Foil

The production plan was 504 tons. Actual production was 509 tons or a plan realization of 101 percent. Because of increased requirements by the auto industry, the supply of perfol foil was reduced to other consumers. One of the largest consumers of perfol foil is Poly-Plastic Halle. This plant fulfilled its production plan for bags and sausage casings. The export plan of perfol foil was over fulfilled by 1 ton.

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Styroflexfoils

The production plan was 340 tons. The actual production was 346 tons or a plan realization of 102 percent. Through new aggregates and a corrected allocation of raw materials the production and requirements of styroflexfoil was covered successfully. The trade quota of 4 tons of Kondensatoron foils was over-fulfilled. Actual production was 6.9 tons. The 1960 supply is quite poor.

Layer Press Material

During the year the production of Isokond and Isoplast was fulfilled only through a decrease in the requirements for the material. The demand for flat hard paper material up to 2mm and hard paper pipes could not be fulfilled.

Molnecart

The production plan was 678 tons. Actual production was 572 tons or a plan realization of 84 percent. The original export plan was 150 tons. The revised export plan was 105 tons. Actual exports were 14.2 tons.

Dederon Wire and BorstenPCU-Wire and Borsten

The basic problem in the production of aceta wire is that the quality does not meet the specifications of consumers. The production plan was under-fulfilled. The gap between requirements and production is steadily increasing and no favorable solution is foreseeable for this problem. The export plan was fulfilled. The production difficulties of PVC-Pulver in the third quarter 1959 worked hardships on the production of PCU-Wire and Borsten.

Rubber and Asbestos ProductsSynthetic Rubber

The production plan was 85,500 tons. Actual production was 85,200 tons. About 4 tons of Buna S were produced. The production difficulties lies in the type of rubber produced. By the end of the year, 300 tons of Buna A were in stock. The allocation plan of Buna A to the consumers has been fulfilled. The consumers refuse to accept Buna A as a substitute for other types of rubber.

Natural Rubber

The import plan for natural rubber was 17,650 tons. The actual imports were 15,340 tons or a under-fulfillment. During the first half of 1959 the rubber imports were irregular so that 3,064 tons had to be drawn from the state reserves. Of this only 1,365 tons of rubber were return to the state reserves by the end of 1959.

The failure of regular natural rubber imports worked hardships on the supply of latex. This also affected the quality of the soft rubber products. The import plan was under-fulfilled by 2,000tons and is to be made up in 1960.

Rubber Products

The production plan of rubber products was realized by 100.6 percent.

Kfz Tire

The production plan was 1,886,000 each and the actual production was 1,876,000 each or a plan realization of 99 percent. In the production of motor cycle and PMV tires, the requirement was met, but for the imported transportation equipment the requirements of tires could not be met. To meet the demands of the population, production of type 2 tire must be increased. The demand for LKW-tires was increased throughout the year by both consumers and retailers. With this increase and coupled with a production decrease in second and third quarters, a small supply of tires was available. Thus the operative plan had to be reduced.

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Because of insufficient capacity in the manufacturing of tires, the supply of tires to agriculture was very spotty. Quantity wise the export plan was over-fulfilled. However, buyers in West Germany and Yugoslavia protested because of the quality of the tires. Testing of the materials shows that these claims were valid. The life of a tire produced in East Germany is only 50 percent of a similar tire produced in the West. In December the Department of Foreign Trade exported large quantities of tires. Thus the 1959 end stocks were reduced. Difficulties will be encountered in the supply of tires in 1960. No increase in the production capacity is expected 1960. The requirements of the equipment industries are increasing. Therefore, the number of tires allotted to sales will be reduced in 1960. The transportation and agriculture sectors will be the hardest hit by this decrease. The export of tires will depend entirely on the quality. The quality will depend on the grade of natural rubber imported and on success of blending natural with synthetic rubber.

Bicycle Tires

The difficulties had in the 1958 supply of bicycle tires was overcome in 1959. Insufficient number of ribbon bicycle tires were produced for export in 1959.

Rubber Conveyor Belts

The production plan was 2,830,000 qm. Actual production was 2,430,000 qm or a plan realization of 86 percent. During the year export of belts and the requirements of various industries were reduced. Therefore, the production plan was decreased. The export plan was 700,000 qm. Actual exports were 523,000 qm or a plan realization of 75 percent. The 1960 production plan is larger than the production capacity. The requirements in East Germany for rubber conveyor belts have not increased in 1960.

Rubber Keilriemen

In spite of a production plan fulfillment, the domestic requirements could not be satisfied. The requirements of agriculture and transportation sectors could not be covered. Because of the poor quality, the sales were lowered. The improvement of the product must be seriously considered. Supply shortages will remain in 1960, as the requirements of the total industry increase faster than the expanding production capacity.

Sole Material

The production plan of porokropp was realized by 110 percent. Although the plan was over-fulfilled, the quality of the material did not meet specifications. The material is listed as "not guaranteed materials" by trade. The production of guaranteed materials for 1960 is not to be expected. The "not guaranteed materials" are disposed by turning them over as repair material. The complaint about the quality is in the specific weight of material. To correct this situation, the preparation of polystyrol must be improved. Very little improvement can be expected 1960.

Recently the requirements for polyzell increased significantly. This increase was made by leather sole industry. The production plan for polyzell was not fulfilled. The situation for 1960 will not improve. The production plan for rubber soles and rubber heels was realized at 92 percent. The problems of production are the quality and various types. The consumers claim that the rubber soles are too thick. The success of meeting the requirements of the consumers in 1960 will depend on the fulfillment of the production plan of PVC Sole Material (Besohlmaterial). The 1960 export plan calls for 1,200 tons of rubber soles and heels to be exported to USSR.

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The production plan was realized at 69 percent. This under-fulfillment was a result of shift in production from Gotha to Tabarz. In the first quarter 1960, the production of VEB Rubber works "John Scheer" Schönebeck will be transferred to Tabarz.

Foam Rubber

The production of foam rubber was over-fulfilled. However, the requirements of the furniture and upholstery industry could not be met. Although the production of foam rubber is expected to increase in 1960, the requirements for foam rubber can not be met.

Preservation Rings

The Minister for Trade and Supply submitted a requirement for 600 tons of preservative rings in 1959. Later this requirement was raised to 800 tons. The industry could not produce sufficient rings to cover the requirement. The under-fulfillment was made up by imports. In 1959 there was no supply problem because of the poor fruit harvest. The planned requirements for 1960 will not be fulfilled. Presently, there is insufficient production capacity.

Bottle Caps

The excellent fruit crop in 1958 demanded a large number of bottle caps. The requirement could not be fulfilled because of a lack of production capacity. Because of a re-distribution of production of bottle caps in 1959, the change will affect production of bottle caps in 1960 by 6,500,000 caps.

Rubber Products for Sanitary
Surgical, Household, and toys

Because of the poor quality rubber, many surgical rubber products had to be imported.

Rubber Forms - and Free Hand
Articles, Tubing etc.

In spite of the increase in Production capacity in press-u spritz the requirements of the consumers could not be met. The standing demands of new rubber articles shows the poor planning of newly build production capacity. An improvement of this situation can be made through the increase planned production capacity and through the standardization of products. In 1960 there will be no improvement in the supply. The 1959 production of hoses did not cover existing requirements. The type which were not fulfilled are auto hoses, spiral fuel hoses, water hoses, and fire hoses. The dry weather of the last two years has raised the demands for water hoses and fire hoses. The production of oil hoses was curtailed because of insufficient supply of butadienyl rubber.

Floor Covering

The 1959 production plan was fulfilled. Although production was fulfilled, the enormous increase in new houses has raised the requirement for floor covering above the planned production. In 1960 the demands of the consumers will only be covered by 50 percent.

Rubber Boots

The production plan was only about 91 percent fulfilled

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The sales of brake and coupling materials will be taken over by the State Chemical Office as of the first of January. The covering of requirements by types was not possible. The production capacity at VEB Coswig plant was not properly utilized, therefore, the NV automobile industry requirements were not satisfactorily met.

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To summarize the Rubber and Agbestos industry, the industry has not efficiently utilized the raw materials available nor have they utilized the existing production capacities properly to meet the requirements of type and quantity set forth by the East German Economy. For future production planning the improvement of the supply, larger production capacity, and a standardization of product must be considered.

Other Products**Casein**

The production plan was under-fulfilled. The demands of large consumers like the paper industry and cotton spinning could not be covered. The production of tire cord and spinning shells were affected. Through the poor production of casein-cold glue, the production of table and furniture suffered.

Kolophonium

The supply of kolophonium was satisfactory because of the good harvest in 1959. The import plan was under-fulfilled by 300 tons.

Shellac

The consumption of shellac in East Germany was lowered in 1959. The Stocks of shellac at DHZ Chemie, Leipzig are available for use in 1960. The import plan of shellac will be lowered.

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